

IMSK - Writedown Convertible Bond

A convertible bond of NOK 124 million was granted at the extraordinary general meeting of the company on 25th June 2001 and placed in the Norwegian market in July 2001. The nominal value of the Convertible bond is presently NOK 74 million, of which I.M. Skaugen ASA holds NOK 35 million. The convertible bond has seven years maturity with an option to convert to shares in I.M. Skaugen ASA (IMSK) during the first five years (05/2006). The present conversion price is NOK 60 per share less NOK 11.00 per share, which will be paid at time of conversion as a compensation for dividend.

I.M. Skaugen ASA will write down its current holding of NOK 35 million in the IMSK Convertible Bond. The nominal value of the Convertible Bond after write down will be NOK 39 million.